

Message Text

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PAGE 01 RIO DE 01489 301919Z
ACTION EB-08

INFO OCT-01 ARA-14 EUR-12 ISO-00 AGRE-00 COME-00
TRSE-00 OMB-01 CIAE-00 INR-10 NSAE-00 AF-10 /056 W
-----046534 301923Z /50

P R 301425Z MAR 78
FM AMCONSUL RIO DE JANEIRO
TO SECSTATE WASHDC PRIORITY 6064
INFO AMEMBASSY LONDON
AMEMBASSY MEXICO
AMEMBASSY SAN JOSE
AMEMBASSY SAN SALVADOR
AMEMBASSY TEGUCIGALPA
AMEMBASSY GUATEMALA
AMEMBASSY MANAGUA
ANEMBASSY SANTO DOMINGO 212
AMEMBASSY PANAMA
AMEMBASSY LIMA
AMEMBASSY BOGOTA
AMEMBASSY CARACAS
AMEMBASSY BRASILIA
AMCONSUL SAO PAULO

UNCLAS RIO DE JANEIRO 1489

DEPT. PASS MCCONNELL FAS/USDA/W

E. O. 11652: N/A
TAG ON EAGR, BR
SUBJ: BRAZIL'S COFFEE GROWERS' REQUEST NEW SUPPORT PRICE

1. RELATIVE STAGNATION OF COFFEE TRADING DURING RECENT MONTHS
AND CONSEQUENT PRICE DECLINE LED A GROUP OF 1300 PEOPLE INCLUDING
COFFEE GROWERS, COFFEE TRADERS, MAYORS AND POLITICIANS FROM THE
THREE MAJOR COFFEE PRODUCING STATES TO MEET IN THE STATE OF SAO
PAULO ON MARCH 27.

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2. THE PURPOSE OF THE MEETING IS TO FORMALLY PROTEST AGAINST
GOB'S CURRENT COFFEE MARKETING POLICY AND TO PREPARE A PETITION
TO BE HANDED TO PRESIDENT GEISEL. THE SUBSTANCE OF THE PETITION
IS AS FOLLOWS:

A. REQUEST FOR EXTENSION OF CURRENT FINANCING MATURITY DATES;

B. REQUEST TO SUSPEND, AS OF APRIL FIRST, COMPULSORY DELIVERY OF ONE BAG OF COFFEE TO DOMESTIC ROASTERS FOR EVERY TWO BAGS OF COFFEE EXPORTED;

C. REQUEST TO RAISE COFFEE SUPPORT PRICE FROM CURRENT CR\$1,250 TO CR\$2,500 PER BAG AS OF APRIL 1ST 1978 AND TO CR\$3,000 PER BAG EFFECTIVE JULY 1ST 1978. (SUPPORT PRICE DETERMINES AMOUNT OF FINANCING GROWER MAY OBTAIN).

3. BRAZILIAN COFFEE INSTITUTE (IBC) PRESIDENT CALAZANS REPLY TO GROWERS' REQUESTS REPORTED BY THE PRESS ON MARCH 28, WAS THAT:

A. THE SUPPORT PRICE FOR THE 1977/78 COFFEE CROP OF CR\$1,250 PER BAG IS CONSIDERABLY HIGHER THAN THE SUPPORT PRICE OF CR\$390 PER BAG IN FORCE PRIOR TO THE 1975 FROST;

B. THE NEW SUPPORT PRICE OF CR\$2,500 PER BAG FOR THE 1978/79 COFFEE CROP, EFFECTIVE JULY 1ST 1978 IS AN EXCELLENT PRICE WHICH EXCEEDS THE COST OF PRODUCTION;

C. THE GROWERS' REQUEST FOR A SUPPORT PRICE OF CR\$3,000 PER BAG IS ABSURD AS IT REPRESENTS MORE THAN TWICE THE COST OF PRODUCTION.

4. THE CURRENT OFFICIAL RATE OF EXCHANGE IS CR\$16,845 PER UNCLASSIFIED

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US\$1.00.
DEXTER

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NNN

Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Draft Date: 30 mar 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
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Disposition Reason:
Disposition Remarks:
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TAGS: ETRD, BR
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